

LAKEHAVEN UTILITY DISTRICT  
King County, Washington  
January 1, 1995 Through December 31, 1995

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Schedule Of Findings

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1. District Management Should Comply With State Law Relating To Procurement Of Engineering Services

The district was not in compliance with state law relating to the process of procuring engineering services in that it did not use established criteria to evaluate firms in the selection process.

RCW 39.80.040 states:

In the procurement of architectural and engineering services, the agency shall encourage firms in the lawful practice of their profession to submit annually a statement of qualifications and performance data. The agency shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select therefrom, **based upon criteria established by the agency**, the firm deemed to be the most highly qualified to provide the services required for the proposed project. (Emphasis ours.)

While the district solicited requests for qualifications from engineering firms in July 1994 and December 1995, we found no documented rational basis for the selection of firms for specific projects.

The purpose of state laws regarding procurement is not only to protect public resources but to protect public employees and officials as well. As a result of the lack of established criteria and documentation to support the rationale used to select engineering firms, the district has suffered from accusations of interference by its public officials in the procurement of engineering services. These accusations cannot be proven or disproved because of the lack of documentation.

District management has since taken steps to implement appropriate policies and procedures to ensure compliance.

We recommend the district use preestablished criteria to determine the firms most qualified for specific projects and retain the records documenting the selection process.

2. District Management Should Comply With State Laws Relating To Procurement Of Small Works Construction

RCW 56.08.070 allows the district to award contract projects, the estimated cost of which is less than fifty thousand dollars, by utilizing the small works roster process provided in RCW 39.04.155. We found the following instances of noncompliance relating to the district's small works roster process during 1995:

- a. District management did not solicit contractors for inclusion on the public works roster.

RCW 39.04.155 states:

At least twice a year, the municipality shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster or rosters and solicit the names of roster or rosters.

- b. District management did not post the small works contracts awarded at least once every two months.

RCW 39.04.200 states:

Any municipality that utilizes the small works roster process established in RCW 39.04.155 to award contracts for public works projects . . . must post a list of the contracts awarded under RCW 39.04.155 . . . at least once every two months.

Not having appropriate policies and procedures in place to comply with state law could result in a conflict or the appearance of a conflict of interest. It could also result in the district not securing the best price for a project.

These instances of noncompliance were the result of staff previously responsible for compliance with the small works process being displaced. District management has since taken steps to implement appropriate policies and procedures to ensure compliance.

We recommend district management, regardless of staffing changes, make the necessary effort to comply with state procurements laws related to small works contracts.